

110TH CONGRESS
2D SESSION

H. R. 3873

AN ACT

To expedite the transfer of ownership of rural multifamily housing projects with loans made or insured under section 515 of the Housing Act of 1949 so that such projects are rehabilitated and preserved for use for affordable housing.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Section 515 Rural
3 Housing Property Transfer Improvement Act of 2007”.

4 **SEC. 2. CONGRESSIONAL FINDINGS.**

5 The Congress finds that—

6 (1) providing rural housing for poor families in
7 the United States has been an important goal, and
8 the primary reason for enactment, of the Housing
9 Act of 1949;

10 (2) rural multifamily housing financed under
11 the section 515 of the Housing Act of 1949 has been
12 an essential resource for providing affordable hous-
13 ing for some of the Nation’s poorest families;

14 (3) the majority of the approximately 16,000
15 projects financed under section 515 that currently
16 have loans outstanding were constructed more than
17 25 years ago and need new financing in order to
18 continue to provide decent, affordable housing for
19 families eligible to reside in such housing;

20 (4) many owners of such projects are working
21 to transfer the properties, which often involves
22 leveraging Federal resources with private and com-
23 mercial resources; and

24 (5) the Secretary of Agriculture should protect
25 the portfolio of section 515 projects by making ad-
26 ministrative and procedural changes to process own-

1 ership transfers in a commercially reasonable time
2 and manner when such transfers will further the
3 preservation of such projects for use as affordable
4 housing for families eligible to reside in such hous-
5 ing.

6 **SEC. 3. TRANSFERS OF SECTION 515 RURAL MULTIFAMILY**
7 **HOUSING PROJECTS.**

8 Section 515(h) of the Housing Act of 1949 (42
9 U.S.C. 1485) is amended—

10 (1) by inserting “(1) CONDITION.—” after
11 “(h)”; and

12 (2) by adding at the end the following new
13 paragraphs:

14 “(2) TRANSFERS FOR PRESERVATION AND REHA-
15 BILITATION OF PROJECTS.—

16 “(A) IN GENERAL.—The Secretary shall make
17 such administrative and procedural changes as may
18 be necessary to expedite the approval of applications
19 to transfer ownership of projects for which a loan is
20 made or insured under this section for the preserva-
21 tion, continued use restriction, and rehabilitation of
22 such projects. Such changes may include changing
23 approval procedures, increasing staff and resources,
24 improving outreach to project sponsors regarding in-
25 formation that is required to be submitted for such

1 approvals, changing approval authority between na-
2 tional offices and the State and local offices, simpli-
3 fying approval requirements, establishing uniformity
4 of transfer requirements among State offices, and
5 any other actions which would expedite approvals.

6 “(B) CONSULTATION.—The Secretary of Agri-
7 culture shall consult with the Commissioner of the
8 Internal Revenue Service and the Secretary of Hous-
9 ing and Urban Development, and take such actions
10 as are appropriate in conjunction with such con-
11 sultation, to simplify the coordination of rules, regu-
12 lations, forms (including applications for transfers of
13 project ownership), and approval requirements for
14 housing projects for which assistance is provided by
15 the Secretary of Agriculture and under any low-in-
16 come housing tax credits under section 42 of the In-
17 ternal Revenue Code of 1986 or tax-exempt housing
18 bonds. The Secretary of Agriculture shall involve the
19 State Rural Development offices of Department of
20 Agriculture and the Administrator of the Rural
21 Housing Service in the consultations under this sub-
22 paragraph as the Secretary considers appropriate.

23 “(C) PRESERVATION AND REHABILITATION.—
24 The Secretary shall actively facilitate transfers of
25 the ownership of projects that will result in the pres-

1 ervation, continued use restriction, and rehabilitation
2 of such projects.

3 “(D) FINAL AUTHORITY OVER TRANSFERS.—
4 The Office of Rental Housing Preservation of the
5 Rural Housing Service, established under section
6 537 (42 U.S.C. 1490p–1), shall have final regu-
7 latory authority over all transfers of properties for
8 which a loan is made or insured under this section,
9 and such Office may, with respect to such transfers,
10 work with and seek recommendations from the State
11 Rural Development offices of the Department of Ag-
12 riculture.

13 “(E) DEADLINES FOR PROCESSING OF TRANS-
14 FER APPLICATIONS.—

15 “(i) PROCEDURE.—If a complete applica-
16 tion, as determined by the Secretary, for a
17 transfer of ownership of a project or projects is
18 not processed, and approved or denied, by the
19 State Rural Development office to which it is
20 submitted before the applicable deadline under
21 clause (ii)—

22 “(I) such State or local office shall
23 not have any further authority to approve
24 or deny the application;

1 “(II) such State or local office shall
2 transfer the application in accordance with
3 subclause (III); and

4 “(III) such application shall be proc-
5 essed, and approved or denied, in accord-
6 ance with clause (iii) and only by the Of-
7 fice of Rental Housing Preservation, which
8 may make the final determination with the
9 assistance of other Rural Development em-
10 ployees.

11 “(ii) DEADLINE FOR STATE AND LOCAL
12 OFFICES.—The applicable deadline under this
13 clause for processing, and approval or denial, of
14 a complete application for transfer of ownership
15 of a project, or projects, shall be the period that
16 begins upon receipt of the complete application
17 by the State Rural Development office to which
18 it is submitted and consists of—

19 “(I) in the case of an application for
20 transfer of ownership of a single project,
21 45 days;

22 “(II) in the case of an application for
23 transfer of ownership of multiple projects,
24 but not exceeding 10 projects, 90 days;
25 and

1 “(III) in the case of an application for
2 transfer of ownership of 11 or more
3 projects, 120 days.

4 “(iii) DEADLINE FOR OFFICE OF RENTAL
5 HOUSING PRESERVATION.—In the case of any
6 complete application for a transfer of ownership
7 of a project, or projects, that is transferred pur-
8 suant to clause (i), shall be processed, and ap-
9 proved or denied, before the expiration of the
10 period that begins upon receipt of the complete
11 application and consists of—

12 “(I) in the case of an application for
13 transfer of ownership of a single project,
14 30 days;

15 “(II) in the case of an application for
16 transfer of ownership of multiple projects,
17 but not exceeding 10 projects, 60 days;
18 and

19 “(III) in the case of an application for
20 transfer of ownership of 11 or more
21 projects, 120 days.

22 “(iv) APPEALS.—Only decisions regarding
23 complete applications shall be appealable to the
24 National Appeals Division of the Department of
25 Agriculture.”.

1 **SEC. 4. REPORT.**

2 Not later than July 1, 2008, the Secretary of Agri-
3 culture shall submit a report to the Committee on Finan-
4 cial Services of the House of Representatives and the
5 Committee on Banking, Housing, and Urban Affairs of
6 the Senate that—

7 (1) identifies the actions that the Secretary has
8 taken to coordinate with other Federal agencies, in-
9 cluding the Department of Housing and Urban De-
10 velopment and the Internal Revenue Service, and, in
11 particular, with the program for rental assistance
12 under section 8 of the United States Housing Act of
13 1937, the multifamily mortgage insurance programs
14 under title II of the National Housing Act, the pro-
15 gram under section 42 of the Internal Revenue Code
16 of 1986 for low-income housing tax credits, and the
17 program for tax-exempt bonds under section 142 of
18 such Code;

19 (2) identifies and describes any resulting im-
20 provements within Rural Housing Service of the De-
21 partment of Agriculture in expediting the transfer of
22 ownership of projects with loans made or insured
23 under section 515 of the Housing Act of 1949; and

24 (3) makes recommendations for any legislative
25 changes that are needed for the prompt processing

- 1 of applications for such ownership transfers and for
- 2 the transfer of such projects.

Passed the House of Representatives January 23,
2008.

Attest:

Clerk.

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